

**TO: Envision San José 2040
4-Year Review Task Force**

FROM: Jared Hart

**SUBJECT: October 29, 2020
TASK FORCE MEETING**

DATE: October 22, 2020

This memo provides information to assist you in preparation for the October 29, 2020 Envision San José 2040 Task Force meeting. Links to the referenced documents and other resource materials (e.g. reading materials and correspondence) are posted on the Envision San José 2040 4-Year Review website (<http://www.sanjoseca.gov/generalplanreview>).

The following is a summary of agenda items for the October 29, 2020 Task Force meeting:

Agenda Item 3 – Approval of September 21, 2020 Meeting Synopsis

The Task Force will vote to approve the [meeting minutes](#) for the September 21, 2020 Task Force meeting.

Agenda Item 4 – Coyote Valley

Staff will present background information and recommendations on the long-term future of Coyote Valley, including redistribution of planned job growth from North Coyote Valley to other General Plan growth areas, and actions to support the General Plan's economic development and employment goals. Task Force members will be given an opportunity to discuss, provide input, and ask questions about staff recommendations. Members of the community will be provided with an opportunity to address the Task Force. Task Force members will then vote on staff's recommendations on Coyote Valley.

The City Council approved the following General Plan Four-Year Review scope of work item:

Coyote Valley

- a. Potential Redistribution of Planned Job Growth from North Coyote Valley (staff memo):
Conduct a follow up study to analyze the potential redistribution of jobs capacity from North Coyote Valley to other General Plan growth areas, including analysis of fiscal and other effects upon the City that could occur with the loss of employment land in North Coyote Valley. The findings of this analysis could result in recommendations on proposed General Plan amendments to ensure that the City achieves its General Plan employment goals and furthers its Innovation/Regional Employment Center Strategy.*

b. North Coyote Valley & Mid-Coyote Urban Reserve (Mayor's memo): Discuss the long term future of North Coyote Valley and the Mid-Coyote Urban Reserve to achieve key city objectives including the preservation of open space and wildlife habitat, flood and groundwater protection, agriculture, climate change resilience, and passive recreation.

Background

Existing Land Uses

Coyote Valley is located at the southern boundary of San José within its Sphere of Influence, north of the City of Morgan Hill. The Coyote Valley area consists of three different and distinctive planning subareas covering over 7,000 acres of mostly undeveloped land in the southern reaches of the City of San José. Of the three sub-areas, all of the North Coyote Valley, approximately 16% of Mid-Coyote Valley, and about 20% of the South Coyote Valley were annexed into San José. The remainder of the land in Coyote Valley is under the jurisdiction of Santa Clara County (see Attachment A).

The *North Coyote Valley Employment Lands Growth Area* encompasses 1,700 acres. The planning subarea has a primary agricultural use, including oats, wheat, and other grains. Urban development is limited and includes the IBM Silicon Valley Lab, Gavilan College Coyote Valley Center (South Bay Regional Public Safety Training Consortium), and Metcalf Energy Center.

The *Mid-Coyote Valley Urban Reserve* encompasses 2,200 acres. The planning subarea is outside the City's urban service area, therefore, City services such as sanitary sewers and other utilities are not provided. The Urban Reserve designation stipulates that no urban or suburban development will occur there through the year 2040. The predominant land use in the Mid-Coyote Valley is agricultural production. Other uses include the historic village center known as the Hamlet, the Coyote Valley RV Resort, two residential subdivisions, and the Morgan Hill Unified School District Charter School.

The *South Coyote Valley Greenbelt* encompasses 3,600 acres. Although located outside the Urban Growth Boundary, the South Coyote Greenbelt is the most highly developed and parcelized portion of Coyote Valley where parcels of twenty or more acres adjoin rural subdivisions of less than two-acre parcels. Non-residential land uses include a variety of agricultural uses, yard and outdoor business, including the Grass Farm (a large grass/sod business serving the Bay Area), the Coyote Creek Golf Club, and sports fields for Ann Sobrato High School (Morgan Hill Unified School District).

History of Land Use Planning for Coyote Valley in San José's General Plans

Land use planning in Coyote Valley has been an important issue and component of the City's general plans for over half a century. Starting in the 1960 General Plan, the City planned for industrial growth in North Coyote Valley and a portion of what is now known as the South Coyote Valley Greenbelt, were designated for industrial uses. The remaining land in Coyote Valley was designated for residential uses. However, as the City faced declining revenues and lack of community and political support for continued urban expansion, *General Plan '75*, adopted in 1976, designated most

of Coyote Valley for agricultural uses, and limited areas for rural residential and low-density residential uses.

By the 1980s, there was mounting pressure to open up Coyote Valley for urban development and various industrial firms acquired sizable property holdings. In 1984 the City's *Horizon 2000 General Plan* reestablished North Coyote Valley as an area planned for campus industrial uses and established Mid-Coyote Valley as an Urban Reserve for future mixed-use development, and South Coyote Valley was designated as a Greenbelt to ensure a permanent non-urban buffer between San José and Morgan Hill. Following adoption of the *Horizon 2000 General Plan*, the City Council adopted the *North Coyote Valley Industrial Development Plan* in 1986, the culmination of a three-year planning effort to establish clear guidance for development in North Coyote Valley and implement the City's General Plan.

In 1994, a citizens' Task Force developed the *San José 2020 General Plan* which significantly prioritized the notion of compact, efficient infill development within San José's Urban Service Area. To further the desire for "smart growth," the *San José 2020 General Plan* established the Greenline/Urban Growth Boundary (UGB), which was later ratified by the voters in 2000. The boundary included North and Mid-Coyote Valley inside the UGB, while the South Coyote Valley Greenbelt was located outside of the Greenline.

San José experienced strong industrial and commercial growth during the "Dot-com" boom, and in 2000 the City Council approved a Planned Development Rezoning of over 500 acres on both sides of Santa Teresa Boulevard, north of Bailey Avenue, for the Coyote Valley Research Park (CVRP), where Cisco intended to build 6.6 million square feet of campus industrial uses. However, the project was never constructed, due in part to the economic slowdown in the early 2000s when the "Dot-com" bubble began to deflate.

In August 2002, City Council initiated the Coyote Valley Specific Plan (CVSP) process, with the intent to develop a plan to guide the future development of 50,000 jobs and 25,000 housing units in North and Mid-Coyote Valley, and preserve South Coyote Valley in a non-urban state. A 20-member community Task Force was appointed to guide the preparation of a comprehensive plan for the future of Coyote Valley, which met monthly over a five-year period. With the decline in the housing market, the lax economy, and the additional time and cost involved in the project, the Coyote Housing Group (the financiers of the project) decided to terminate its funding agreement with the City for development of the Plan. Consideration of possible development within Coyote Valley was deferred to the *Envision San José 2040 General Plan* update, underway at that time.

The *Envision San José 2040 General Plan* was adopted by City Council in November 2011, and establishes clear direction for future growth in Coyote Valley through Major Strategies, goals, and policies. In the General Plan, North Coyote Valley is designated as an Employment Lands Growth Area and is planned for 35,000 new jobs to accommodate long-term growth. North Coyote Valley is an integral component of the Focused Growth, Regional Employment Center, and Fiscally Strong City Major Strategies, as it serves as the second largest Employment Lands Area in San José. At over 1,700 acres, North Coyote Valley represents 16 percent of the General Plan's total Employment Land Areas.

In the Envision 2040 General Plan, Mid- Coyote Valley is designated as an Urban Reserve and is not planned for urban development through the year 2040. The South Coyote Valley Greenbelt is intended to remain as a permanent non-urban buffer between the City of San José and Morgan Hill. Mid- and South Coyote Valley support the Life Amidst Abundant Natural Resources and Design for a Healthful Community Major Strategies, as well as goals and policies related to scenic resources and the urban natural interface, rural agriculture, and wildlife movement.

For a complete summary on the history of land use policy in Coyote Valley, see the City Council memorandum titled Coyote Valley Policy Context and Land Acquisition Considerations, dated January 17, 2019 (Attachment B).

Long-term Future of Coyote Valley and Reallocation of Planned Job Growth

Planning staff proposes the following new vision for Coyote Valley:

Coyote Valley is a unique asset to San Jose and should be preserved as a resource for the community that furthers the City's goals of environmental sustainability, enhancing open space, supporting agriculture in the non-urban areas of the City, and protecting critical linkages for wildlife movement.

In considering this new vision and the long-term future of Coyote Valley, staff considered changes in land use planning context, existing natural and agricultural resources, and economic development opportunities. Staff also performed an economic analysis to inform potential reallocation of planned jobs and identify policy actions the City could take to achieve its General Plan employment goals and accommodate future economic growth.

Changes in Planning and Policy Context for Coyote Valley

Since adoption of the Envision San José 2040 General Plan in November 2011, and the first 4-Year Review of the General Plan in 2015, there have been several key changes in planning context for Coyote Valley.

Measure T

On November 6, 2018 over 70% of voters approved Measure T which authorized \$650 million in General Obligation bonds to improve emergency and disaster response and investment in infrastructure, including a \$50 million allocation for environmental protection including the acquisition of land and construction of improvements associated with water quality and flood protection.

On January 22, 2019, the City Council held a study session on the history and future of Coyote Valley. The City Council received information on the environmental resources uniquely located in Coyote Valley along with information detailing the economic development potential of North Coyote Valley. City Council directed staff to begin exploration of a partnership with Peninsula Open Space Trust (POST) and the Silicon Valley Open Space Authority (OSA) for the acquisition of property in Coyote Valley. At the study session, staff identified the General Plan 4-Year Review as a process to analyze reducing job growth or removing North Coyote Valley as an employment growth area.

On November 6, 2019, City Council approved a Purchase and Sale Agreement with POST and OSA for approximately \$96M (City contributions of approximately \$46M; POST/OSA contribution of approximately \$50M) for purchase of 937-acres in North Coyote Valley from Brandenburg and Sobrato to create a natural non-urban preserve (Attachment C). The purchase of the 937-acres effectively left approximately 314-acres remaining of developable land with an Industrial Park General Plan land use designation.

Climate Smart San José

Climate Smart San José is a plan approved by the City Council in February 2018 that sets out a strategy for reducing carbon emissions in San José even as the city grows through 2050. The Climate Smart San José plan identifies nine strategies to reduce emissions, including strategies related to more efficient use of water resources and the creation of local jobs.

Strategy 1.2 calls for “embracing our California climate” by developing a lower water-use paradigm and carefully managing water resources. Under this strategy, the plan identifies a potential City action of “partner[ing] with Santa Clara Valley Water District and Open Space Authority on their coordinated study to quantify water resource and climate resilience benefits of green infrastructure investments in Coyote Creek watershed lands.”

Strategy 3.1 calls for creating local jobs in San José as a strategy to reduce vehicle miles traveled by residents commuting to jobs outside the city, and thus reduce carbon emissions. The plan notes that “creating local, transit-accessible jobs can reduce the need for commuter car journeys” and estimates that achieving a total of 550,000 jobs located near transit (defined as one half mile from rail and one quarter mile from high-capacity transit) and increasing the percentage of commute journeys by walking or bicycling to 35% (from 3.7% in 2018), San José could reduce carbon emission by 1,281 tons per year.

Council Policy 5-1 (Vehicle Miles Traveled)

The San José City Council approved a new Transportation Analysis Policy, Council Policy 5-1, in February of 2018. The new policy brought the City into conformance with State law (Senate Bill 743) and alignment with General Plan and Climate Smart San Jose goals around land use and transportation to reduce the environmental impacts of growth by promoting compact mixed-use development that supports walking, biking, and transit use. It established Vehicle Miles Traveled (VMT) as the primary metric for evaluating the transportation impact of new development projects under the California Environmental Quality Act (CEQA). VMT measures the amount and distance people drive by vehicle. The use of VMT for transportation analysis allows the City to measure and mitigate the amount that people typically travel by vehicle, facilitating low-VMT development and focusing mitigations on pedestrian, bicycle, and transit facilities, as well as transportation demand management. Coyote Valley lies at the southern end of San José, is relatively isolated from the rest of the City and the Bay Area, and lacks significant non-automobile transportation options. As such, the average amount and distance people are estimated to drive – or VMT – is the highest in the City for jobs.

Santa Clara Valley Agricultural Plan

Adopted by the Santa Clara County Board of Supervisors in January 2018, Santa Clara County, in partnership with the cities of San José, Morgan Hill, and Gilroy, and the Open Space Authority, developed the *Santa Clara Valley Agricultural Plan* (SCVAP) (Attachment D), with the purpose of protecting agricultural lands as a long-term resource and minimizing the impacts of climate change. The SCVAP identifies an Agricultural Resource Area (ARA) within southern Santa Clara County, and proposes agricultural land preservation polices, policy updates, and programs to support long-term agriculture and the agricultural industry within the ARA. The ARA includes Mid-Coyote Valley (Urban Reserve) and the South Coyote Valley Greenbelt. Some of the strategies/actions identified in the SCVAP include:

- Coordination between participating jurisdictions to create consistency in the designation of agriculture areas between the County and Cities' General Plans, and alignment of General Plan policies to share a common regional vision, goal, and approach for agricultural resource conservation in Santa Clara Valley;
- Prevent the establishment of incompatible uses within the ARA which increase land speculation and impair ongoing agriculture production; and
- Prevent conversion of agricultural lands into rural ranchettes that increase land speculation and reduce viability of ongoing neighboring farm operations.

For more information on the opportunities, challenges, and strategies to support agriculture in the Santa Clara Valley, see the Attachment G of this memo.

Plan Bay Area 2040

Plan Bay Area 2040, adopted on July 2017 and amended on March 2018, is a state-mandated long-range transportation and land use plan developed and adopted by the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) for compliance with Senate Bill 375 for the nine-county San Francisco Bay Area¹. The plan discusses how the region will grow through 2040 and “identifies transportation and land use strategies to enable a more sustainable, equitable and economically vibrant future.”²

Most of Coyote Valley planning areas are located within four identified Priority Conservation Areas (PCAs) registered by the Santa Clara Valley Open Space Authority. The PCAs are Coyote Valley – North, Coyote Valley – Mid, Coyote Valley – South, and Coyote Creek Parkway (Attachment E). Priority Conservation Areas are regionally significant open space which have broad agreement for long-term protection. These lands typically have been pressured by urban development and other factors, and they are supported through local government consensus.

¹ The nine San Francisco Bay Area counties include Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

² Plan Bay Area 2040 Final Plan. (2019). Retrieved from: <http://2040.planbayarea.org/about>

AB 948

In 2019 Assembly Bill (AB) 948 was signed into law designating 17,400 acres in Coyote Valley, including the North, Mid- and South Coyote Valley planning areas, as a resource of state-wide significance, recognizing that Coyote Valley is a unique landscape providing agricultural, wildlife, recreational, climate, and other natural infrastructure benefits. The new law is non-regulatory and can attract outside conservation funding, especially from the State.

Executive Order N-82-20

On October 7, 2020 Governor Newsome issued Executive Order N-82-20, which establishes a goal for conserving 30 percent of California's natural and working lands – forests, rangelands, farms, wetlands, coast, deserts and urban greenspaces – in the fight against climate change. California is the first state in the country to pledge to conserve 30 percent of land and coastal water by 2030, joining 38 countries in commitment to conservation. Measure T (Safety Bond) and the subsequent acquisition of 937-acres in North Coyote Valley for preservation, described above, supports the State's goal established by this executive order and reflects San Jose's commitment to combating climate change.

Natural Resources

Coyote Valley provides a unique combination of biodiversity, farmland, and water resources. Multiple studies have been published documenting the ecological value of the Coyote Valley area, which is home to many rare and endangered species, including the jewelflower, bay checkerspot butterfly, western burrowing owl, tiger salamander, tricolored blackbird, red-legged frog, and Swainson's hawk. The diversity and quality of habitat in Coyote Valley is important to support long-term resilience and adaption in natural communities. Scientific research has identified Coyote Valley as a top priority for regional conservation efforts. It is the last intact valley floor connection between the Santa Cruz Mountains and the Diablo Range and connects over 1.13 million acres of habitat. The Santa Clara Valley Habitat Conservation Plan and Natural Community Conservation Plan (HCP/NCCP) and other state and regional assessments have identified Coyote Valley as the essential opportunity to link landscapes and connect habitats to protect biodiversity in the Santa Cruz Mountains and Diablo Range. The General Plan recognizes the importance of wildlife movement between the Santa Cruz Mountains and Diablo Range and includes goals and policies to minimize adverse effects of development on wildlife movement, and to support protection of critical linkages in Mid-Coyote Valley.

Open space in Coyote Valley also acts as a sponge and detains water. Coyote Valley is located within the Coyote Groundwater Subbasin (Coyote Subbasin), and overall, accounts for nearly 50% of undeveloped recharge areas for the entire Silicon Valley. Based on a 2010 groundwater vulnerability study conducted by the Santa Clara Valley Water District, the Coyote Subbasin is highly vulnerable to contaminant releases at the ground surface due to unconfined groundwater conditions, shallow depth to groundwater, and high permeability in the subbasin.

The valley is home to the Laguna Seca, the County's largest freshwater wetland and largest drinking water aquifer recharge area. Laguna Seca, located in North Coyote Valley between Tulare Hill and the Santa Teresa Hills just west of Santa Teresa Boulevard and north of Baily Avenue, originally was

over 1,000 acres but was drained and burned in the early twentieth century to allow for agriculture and development. Draining Laguna Seca and Coyote Valley created Fisher creek, which now flows into Coyote Creek and exacerbates flood risk in downstream San José. Conservation and restoration along Fisher Creek and Laguna Seca would allow lands to hold more excess stormwater upstream of San José potentially reducing the likelihood, severity, and extent of downstream flooding. This would increase the amount of water percolating into the aquifer, and protect and support the Coyote Valley groundwater basin's ability to recharge groundwater aquifer.

The General Plan includes water quality policies to protect groundwater as a water supply source through flood protection measures, and to discourage locating new development with the potential to negatively impact groundwater quality in areas that have been identified as having a high degree of aquifer vulnerability by the SCVWD (policies MS-20.2 and MS-20.3).

Agricultural Resources

Agriculture is a significant part of San José's history and will continue to be a part of its future. Agricultural lands add to a distinct image of San José's community, and the agricultural preservation policies in the General Plan are intended to preserve remaining farmlands within San Jose's sphere of influence; improve the community's access to healthful foods; promote local and ecologically sound food production; support the ability of farmers in the region to sell their produce locally; and provide environmental, social, and economic benefits to the community.

The County's temperate climate, rich soils, healthy groundwater aquifer, and long growing season support the cultivation of a wide diversity of agricultural products. The U.S. Department of Agriculture - Natural Resources Conservation Service (NRCS) classifies much of Coyote Valley as having Class 1 Farmland soils – the most productive farmland soil designation from the NRCS. Most of Coyote Valley is also designated as Farmland of Statewide Importance and is designated as high viability for agriculture in the Santa Clara Valley Agriculture Plan (SCVAP). Major crops today include hay, Asian vegetables, mushrooms, and walnuts, and the growing environment will continue to be well-suited to cultivating a large variety of fruits and vegetables. Land Use Action #2 in the SCVAP establishes strategies to prevent the conversion of agricultural lands to non-agriculture uses within rural areas, including preventing and reducing incompatible uses for agriculture.

At the County level, agriculture provides economic contributions (employment), food security, and ecosystem benefits. Challenges to agriculture in the County and Coyote Valley include a large number of small lots, land held for speculation, labor challenges, and incompatible uses and interface with commuter traffic. However, the current primary cause of farmland loss in Santa Clara County is the development of rural estate homes or "ranchettes" in unincorporated areas. Undeveloped and actively farmed properties in unincorporated rural areas of the County are commonly advertised for estate home development, creating challenges for neighboring farm operations and inflating the cost of productive agricultural land to prohibitively expensive levels for working farmers and ranchers.

To address this issue, County Planning staff is currently working on a rural zoning update to align County policies supporting agriculture and the zoning ordinance, and to reduce threats to remaining agricultural areas by encroaching, incompatible land uses. As part of this work County staff is proposing to establish rural land development standards to limit single-family estate development in

the County's Exclusive Agriculture zoning district. Approximately 1,650 acres of unincorporated land in Mid- and South Coyote Valley are zoned Exclusive Agriculture. These changes are anticipated to be considered by the County Board of Supervisors in fall 2021.

Other initiatives undertaken by County Planning include: the development of a regional Agricultural Conservation Easement program in collaboration with the Open Space Authority and with funding from the State Department of Conservation; a pilot Agricultural Resilience Incentive (ARI) grant program to provide voluntary financial incentives to farmers and ranchers who use regenerative agricultural practices that sequester carbon from the atmosphere; and recently adopted Zoning Ordinance amendments to increase flexibility and streamline permitting for Agricultural Employee Housing.

Economic Development Opportunities

The Envision San José 2040 General Plan currently designates North Coyote Valley as an Employment Lands Growth Area and is planned for 35,000 new jobs. North Coyote Valley has been an integral component of the Focused Growth, Regional Employment Center, and Fiscally Strong City major strategies, since it served as the second largest employment growth area in San José. With the City and POST/OSA's purchase of 937-acres in North Coyote Valley for preservation, approximately 785-acres of land remain with an Industrial Park land use designation. Of the 785-acres, approximately 314-acres is available for new development, located south of Bailey Road between the Santa Cruz Mountain foothills and Monterey Road. These properties do not have urban development and are generally being used for agriculture or are fallow.

Staff hired an economic consultant, Strategic Economics, to conduct an analysis of the potential redistribution of planned job growth from North Coyote Valley (North Coyote) and assist staff in identifying strategies to accommodate future economic growth in San José so that changes in land use policy for North Coyote Valley will not impact San José's ability to maintain and grow its economic base. Strategic Economics analyzed employment trends and projections, business/industry conditions, and building types that have been occurring in other areas of the City with the same IP land use designation as North Coyote, and conducted interviews with industrial developers with extensive experience in the industrial real estate market in San José and the greater Bay Area. The report, titled *North Coyote Valley and the San Jose Economy*, is attached to this memo (Attachment F). Staff analyzed remaining vacant lands and other growth areas designated for industrial uses within San José to determine their capacity for additional job growth and analyzed reallocation of planned job growth from North Coyote to those growth areas.

Economic Trends for Industrial Park Designated Lands

Historically, the General Plan's Industrial Park (IP) land use designation assigned to North Coyote was anticipating that high technology companies would be looking for large land parcels to build industrial campuses where a single company could consolidate its vertically integrated functions including office/administration, research and development, and manufacturing at one site. Regional trends in the technology sector that have implications for North Coyote include a shift away from hardware to software, computer applications and mobile phone technology. Hardware-oriented firms in the region generally locate more of their highly skilled employees in the Bay Area, while the lower value-added functions, including warehouse and distribution, continue to move to lower cost places.

However, at the same time, the distribution/logistics industry is now starting to segment its space needs to address cost constraints, and are building more “infill” distribution centers within cities to facilitate rapid “last mile” direct delivery to consumers.

Given recent trends, this raises the issue as to what industries would find North Coyote an attractive location in the future, and what would be the implications for the City’s economy if these industries could not access land in North Coyote. To address these questions in North Coyote, employment trends by industry over a ten-year period (2009-2018) were analyzed for IP and Transit Employment Center (which allows almost identical uses to IP) designated areas by industry sector and building type, based on general location within the City.³ Office-based/vertical jobs are characterized by industries where building footprints can grow upward like traditional office and professional services, and industrial-based/horizontal jobs are comprised of industries dependent upon large building floorplates like manufacturing and transportation and warehousing. The majority of IP/TEC designated lands are located in the North San Jose (North San Jose and Alviso Employment Areas) and South San Jose (Old and New Edenvale, Evergreen Campus Industrial Area, and North Coyote Employment Areas).

Over the ten-year time period, IP/TEC designated lands in north San José accounted for 15 percent of total employment growth in San José, including over 50 percent of the City’s total growth in office-based/vertical jobs industries. Lands designated for IP/TEC in south San Jose accounted for 9 percent of the City’s total employment growth over the same time period (2009-2018), two-thirds of which was in industries that occupy horizontal buildings, including manufacturing, wholesale trade, and construction. This represented a 132% increase in south San Jose from 2009 to 2018 in industrial-based/horizontal jobs and accounted for 84% of all industrial-based/horizontal job growth in San Jose over that time period. It is anticipated that employment users locating in North Coyote would most closely align with the industry trends of South San Jose and would likely fall in the industrial based/horizontal -category.

The City’s consultant also analyzed changes in employment density by building type in IP/TEC lands to investigate whether businesses appear to be using existing space more efficiently. Reducing the ratio of square feet per employee may reduce future demand for new development on currently vacant land as the primary opportunity to support San José’s future economic expansion. The results of the analysis showed the overall trend is for the employment densities, particularly in vertical buildings, to rise dramatically between 2009 and 2018 with a 47 percent and 95 percent increase in employee density (space per employee) in vertical buildings in North San Jose and South San Jose IP/TEC areas respectively.

Another indicator regarding the implications of removing North Coyote’s development potential for San José’s future economic growth is projected employment growth by industry and building type. Based on employment growth projections for San José through 2040 from the Association of Bay Area Governments (ABAG), approximately 50,000 jobs could be added in office-based/vertical industries, and almost 20,000 jobs could be added in industries associated with industrial-

³ Building types were divided in three broad categories: 1) *Horizontal*, i.e., single buildings that could be longer and wider than they are tall; 2) *Vertical*, or multi-story office buildings; and 3) *Other*, which are buildings built for institutional, retail, or other commercial uses.

based/horizontal jobs. North Coyote Valley currently plays a unique role in providing opportunities to accommodate projected industrial job growth, and if not accommodated in North Coyote, it is important for the City's economy and its workforce to ensure industrial jobs can be located elsewhere.

The City's consultant also conducted interviews with individuals representing three real estate firms with significant industrial building holdings in San José; and/or recent interest in developing land in North Coyote. The three firms, Panattoni Development Company, Majestic Realty, and Prologis Logistics Real Estate, all operate in San José, but also regionally, nationally, and at an international scale. The key findings from the interviews were that market demand for land in North Coyote is primarily for large-scale logistics (transportation/distribution and warehousing) buildings. Warehouse and distribution uses have an interest in locating near urban centers with access to major freeways due to more focus on last mile delivery logistics. While multi-story logistics buildings will become more common in the future (possibly in the next market cycle), in today's market, these buildings are only feasible in very specific locations. Coyote Valley offers large parcel sizes, which are critical for many industrial uses, particularly warehousing and distribution. However, the preference for locating and developing logistics buildings is further north in the City, closer to Interstate 880 and Highway 237.

Anticipated Jobs and Economic Implications of Removing North Coyote as an Employment Area

The decades long vision for North Coyote as an employment center has not been realized. The original capacity anticipated a portion of vertical job growth in large campus/R&D offices, but today, the market has shifted to locations with better access to public transportation and a larger workforce like Downtown and North San Jose. Although the General Plan would allow campus industrial uses in North Coyote, based on employment development trends in south San Jose and interviews with developers, there is currently little to no demand for traditional campus industrial/office uses in North Coyote. Furthermore, the acquisition of land by the City and POST/OSA greatly reduced North Coyote's capacity for development. Based on current market trends and demand, North Coyote in its entirety could support approximately 18,000 industrial-based/horizontal jobs, but with the acquisition of 937-acres for preservation, only approximately 314-acres remain developable for employment uses. The remaining developable lands in North Coyote could support approximately 5,500 jobs, about 1% of the General Plan's total planned employment capacity.

Based on the Analysis of San Jose's Fiscal Conditions Report update that was prepared by Applied Development Economics (ADE) for the 2015 Four-Year Review Task Force, the estimated annual net revenue in San Jose per employee for Industrial Park lands is approximately \$575. However, the jobs that would be anticipated in North Coyote would be more closely related to those found in Light Industrial lands, which has an estimated net revenue of \$42 per employee. Given the estimated number of jobs that could be supported in North Coyote on the remaining developable lands, its estimated that the approximate annual revenue for the City would be \$230,000 to \$3 million if those lands were developed with employment uses and depending on what type of use was developed.⁴

⁴ Estimated annual net revenue are in 2015 dollars.

More jobs are allocated to North Coyote than what could feasibly be developed at this time, and the acquisition of parcels in North Coyote has significantly diminished the remaining capacity for development. Planned jobs, therefore, should be reallocated from North Coyote to reflect development capacity and a new vision. San José's existing IP/TEC designated areas represent an important resource for the City's economic activity because these places include a diverse building mix and can accommodate a wide range of industry types. However, over the next two decades, employment growth is most likely to occur in office-based/vertical jobs at higher employee densities than in the past, or in industrial-based/horizontal jobs that would benefit from proximity to the population densities and highway accessibility offered in North San José. Additionally, based on current trends and development activity, office-based employment is also anticipated to significantly grow in the Downtown. This all suggests that if North Coyote is removed as an Employment Growth Area, the overall economic and fiscal implications for San José are limited, because the jobs planned in North Coyote can be realized elsewhere in the City. At the same time, if the City does not continue to protect areas for industrial-based/horizontal jobs in existing industrial employment areas, this could have a negative impact on the City's economic balance, particularly in providing middle wage jobs for San Jose workers.

Staff Recommendations

North Coyote Valley

For the last 35 years, North Coyote Valley has been designated in the General Plan for campus office industrial uses. Besides the IBM Silicon Valley Lab constructed in the 1970s, the vision for developing North Coyote with large office/industrial campuses has not come to fruition. Changing industry growth trends, particularly in the technology sector, mean that if development were to occur in North Coyote today, this development would likely be warehouses and distribution facilities, resulting in a much lower jobs growth than has been envisioned. Additionally, significant policy shifts have changed the planning context for Coyote Valley, the most significant being the City's adoption of Climate Smart San José, and voter approval of Measure T, which facilitated the City's \$46.3 million investment to purchase, in partnership with POST and OSA, 937-acres in North Coyote for a natural preserve. Development in North Coyote Valley could impact the investment made by the City and impede progress toward the environmental benefits of Measure T and achieving the goals of Climate Smart San José by introducing uses that could interfere with habitat restoration and green infrastructure enhancement, wildlife passage, and reduction of GHG emissions from VMT. Furthermore, the remaining developable land in North Coyote is now more disconnected with the urban footprint of San José and would not support many of the transportation and environmental goals of the General Plan.

For these reasons Planning staff recommends the following:

- Reallocating all 35,000 planned jobs from North Coyote to other growth areas in San José and removing North Coyote Valley as an Employment Lands Growth Area in the General Plan. This is discussed in further detail below.
- Change the land use designations of properties in North Coyote that have been purchased by the City and POST/OSA for preservation from Industrial Park to Open Space, Parklands and Habitat.

- Change the land use designations of properties in North Coyote that have not already been developed for industrial uses from Industrial Park to Agriculture, consistent with current land uses allowed in Mid-Coyote west of Monterey Highway. One exception is the area occupied by the Gavilan College Coyote Valley Center (South Bay Regional Public Safety Training Consortium), which would be changed from Industrial Park to Public/Quasi-Public. These properties would also be rezoned as needed to align with the appropriate General Plan land use designations.
- Explore a credits program in parallel with proposed land use designation changes to support further conservation actions in Coyote Valley and facilitate development in urbanized areas of San Jose. Under such a program, landowners in Coyote Valley could receive credits and compensation for environmental benefits. In exchange developers in urbanized areas within the City could purchase the credits in return for mitigation and/or development incentives.
- Add an action item to the General Plan to move the Urban Service Area boundary north consistent with the proposed land use changes in North Coyote Valley. Properties proposed to retain an urban land use designation (i.e., Industrial Park and Public/Quasi-Public) should stay within the Urban Service Area.

While all 35,000 planned jobs would not be supported, planning for jobs on the remaining 314-acres available for development in North Coyote does provide opportunities for industrial uses, which have unique requirements and play an important role in providing good employment opportunities for workers that do not have a college education. Additionally, the removal of the entire North Coyote Valley Employment Lands Growth Area would result in a 32% citywide reduction of lands designated for Industrial Park and a 11% reduction of all employment lands citywide, where employment lands represent only 15% of all lands within the City of San Jose. However, considering land purchased for conservation and properties that already have urban development, only 314-acres remain available for development with employment uses, which are the key subject of staff's recommendation. Changing the land use designation of the 314-acres from Industrial Park to Agriculture, would result in a 6% citywide reduction of lands designated for Industrial Park and a 2% reduction of all employment lands citywide.

Staff conducted an analysis of all vacant parcels within the City and found that vacant parcels of an appropriate size and designation which could accommodate new industrial-based/horizontal jobs that would have been anticipated in North Coyote are rare. A 56-acre vacant site in New Edenvale was identified, but overall without North Coyote in its entirety, the City of San José has limited vacant land to accommodate certain horizontal growth sectors, mainly new manufacturing, and warehouse and distribution uses. Some industrial uses could occur on small infill urban sites, and, although the market does not yet exist in San José today, development of warehouse and distribution facilities may eventually go vertical, as is now occurring in a few urban areas in the United States.

Removal of North Coyote as an employment area means that it is critical that San José preserve and enhance remaining land within the urban fabric of the City that is designated for industrial uses, as the loss of North Coyote may disproportionately effect shrinking middle income jobs in the City. Staff recommends adding two action items to the General Plan to preserve areas for industrial-based/horizontal jobs in existing employment areas within the current urban area of San Jose. One is to explore development of an overlay that would restrict office buildings as an allowable use in

Industrial Park (IP) or Combined Industrial Commercial (CIC) designated areas, or redesignate some areas from IP and CIC to Light Industrial. The overlay or land use changes could be implemented in employment areas currently designated IP or CIC that have a strong existing base of industrial users to alleviate potential market pressure to redevelop older industrial buildings into office uses. Examples of these types of clusters are in the North San Jose and Berryessa International Business Park employment growth areas. Creating an overlay or redesignating select areas to Light Industrial could promote the attraction, retention and expansion of industrial businesses.

The other recommended action item is to explore creating an industrial overlay allowing for new office construction only if the office building includes some manufacturing or logistics space. San Francisco has implemented a similar program in its South of Market area. The overlay could then be applied to employment areas that support existing industrial-based jobs to preserve those uses and associated jobs, while still allowing for anticipated growth and development of office-based/vertical buildings.

To redistribute planned job growth in North Coyote, staff recommends reallocating 5,000 of the 35,000 jobs from North Coyote Valley to the Alviso Employment Lands Growth Area to support future employment growth in North San Jose, and which is in alignment with the estimated number of jobs that would be anticipated on the remaining developable lands in North Coyote in today's market. Based on the interviews conducted by the City's consultant, developers indicated that locations in north San Jose, particularly north of Highway 237, were most desirable for distribution/logistics users because of proximity to major highways and other urban areas.

Downtown San José has recently seen significant market interest in new commercial development, including the recent groundbreaking of two new office towers. The market interest in commercial development is in part a result of the desire of companies and their employees to be located on major transit lines in urban locations. Additionally, Google has acquired and secured rights to more than 80 acres in the area around Diridon station and SAP Center, and submitted a Planned Development Zoning application for their Downtown West Mixed-use Project that includes up to 7.3 million square feet of new office space. The City is also working on the Diridon Station Area Plan (DSAP) amendment process. As part of this process, staff and consultants have estimated that up to approximately 14 million square feet of new office space could be developed in the DSAP area (including the Downtown West Mixed-use project). Intensification in Downtown supports implementation of Climate Smart San Jose and the General Plan's Focused Growth and Destination Downtown major strategies, advances transportation and environmental goals, particularly around greenhouse gas reduction, and supports regional transit ridership. Additional General Plan employment capacity is needed to support intensification in the DSAP area and greater Downtown. Staff is recommending reallocating the remaining 30,000 jobs to the Downtown Growth Area to align with the DSAP Amendment and support future growth in one of the most transit rich locations in the Bay Area.

Mid-Coyote Valley

The Mid-Coyote Valley Urban Reserve is approximately 4.5 miles north of Downtown Morgan Hill and east of Highway 101, with land use development guided by the City of San José's Envision 2040 General Plan and the County of Santa Clara's policies and development regulations. The area is also

outside of the City's Urban Service Area, is primarily unincorporated and, as mentioned previously, is predominately used for agricultural production. The General Plan Urban Reserve designation stipulates that no suburban or urban development will occur in Mid-Coyote Valley through the year 2040. Allowed land uses are those of the Agriculture land use designation west of Monterey Highway and those of the Agriculture, Open Hillside and Private Recreation land use designations between Monterey Highway and the Coyote Creek Park Chain, provided that such Private Recreation uses are rural in character and are compatible with both the Coyote Creek Park Chain and the North Coyote Campus Industrial Area.

The General Plan includes Rural Agriculture Goal LU-20 that aims to protect agricultural land to facilitate local food production, provide access to healthful foods, to add to a distinct community image, and to promote environmental, fiscal, and economic benefits of rural agricultural lands. Policies associated with this goal include the preservation of "the remaining farmlands within San José's sphere of influence that are not planned for urbanization in the timeframe of the Envision General Plan, such as mid- and south Coyote Valley" through means including: prohibiting subdivision of agricultural lands, unless it can be established that it would not reduce overall agricultural productivity, and restricting land uses within and adjacent to agricultural lands that would compromise the agricultural viability of those lands.

Mid-Coyote Valley is characterized by large lots that generate produce for the local markets, including mushroom, walnuts, and Asian vegetables. In the unincorporated areas in Coyote Valley, the County designated and zoned most lots as *Exclusive Agriculture* with the intention of preserving and enhancing the long-term viability of agricultural uses in the area. As mentioned above, County Planning staff are currently working on updates to rural zoning to support these goals. Currently, most lots are prohibited from subdividing to parcels of less than 40 acres to encourage large-scale agricultural production and maintain the County's agricultural economy. With Mid-Coyote Valley designated as an Urban Reserve in the City's General Plan, the health of the agricultural economy within Mid-Coyote, and the County as a whole has been hampered, in part due to the result of "land banking," where owners of properties designated and/or previously used for agriculture choose to not actively use or lease the land for agricultural production, or lease the land for farming that requires little or no long term agricultural investment, such as hay farming. Typically, landowners in these scenarios are waiting for the opportunity to sell the properties or develop them for urban uses.

With the rising concern of diminishing agricultural lands and production in the County, staff analyzed the City of San José's land use policies in Mid-Coyote Valley for potential changes that could better align the General Plan's rural agriculture goals and the County's agricultural development regulations, consistent with actions defined in the Santa Clara Valley Agriculture Plan. Additionally, staff's recommendation to remove the North Coyote Valley Employment Lands Area from the General Plan leaves a large physical disconnect between Mid-Coyote Valley and the urban extent of San Jose. Furthermore, the City's commitment to achieving greenhouse gas reduction targets established in Climate Smart San Jose, which depend on achievement of the General Plan's goals to reduce Vehicle Miles Traveled, do not support future urban development in the Mid-Coyote Valley Urban Reserve even beyond 2040.

Staff, therefore, recommends removing the Urban Reserve designation from Mid-Coyote Valley and replacing it with land use designations, such as Agriculture and Private Recreation, for each property

to generally align with the allowed uses under the current Urban Reserve designation as described above. Properties in the historic village center (the Hamlet) with existing commercial and light industrial uses are proposed to be designated Combined Industrial Commercial. See Attachment G for the proposed land use designations in Mid Coyote. Properties in Mid-Coyote Valley within the City's jurisdictional boundary would also be rezoned as needed to align with the appropriate General Plan land use designations.

Additionally, to support General Plan rural agriculture goals and policies, and to align with the County's land use regulations, staff also recommends creating a new Coyote Valley Agricultural Overlay (see Attachment G) that increases the minimum lot size from 20-acres to 40-acres and would be applied to:

- Properties that have an existing or proposed Agriculture land use designation within North, Mid- and South Coyote Valley that are inside the City's jurisdictional boundary; and
- Properties with an Agriculture land use designation within Mid- and South Coyote Valley that are outside of the City's jurisdictional boundary and are zoned *Exclusive Agriculture* under the County's Zoning Ordinance, which sets a minimum lot size of 40-acres (A-40ac);

While it may be desirable to move the Urban Growth Boundary north in parallel with the proposed policy changes to North and Mid- Coyote Valley associated with this 4-Year Review (i.e., removal of the North Coyote Valley Employment Lands Growth Area and Mid-Coyote Valley Urban Reserve), this action can only be undertaken as part of a future comprehensive update of the General Plan per Measure K, passed by voters in 2000 to establish the Greenline/Urban Growth Boundary, and codified in Title 18 (Local Planning) of the City's Municipal Code.

South Coyote Valley Greenbelt

For 35 years the approximately 3,600-acre South Coyote Valley has been designated as a Greenbelt to ensure a permanent non-urban buffer between San Jose and Morgan Hill. All of the South Coyote Valley planning area is located outside of the City's Urban Growth Boundary, which was ratified by voters in 2000, and approximately only 20% of the land area is within the jurisdictional boundary of San José.

The Urban Growth Boundary (UGB) establishes the maximum extent of urban development in San José. Areas outside of this boundary are intended to remain permanently rural in character and to contribute to the establishment of a permanent green belt along the City's eastern and southern edges. As established by the General Plan, appropriate land use designations for areas outside of the UGB include Agriculture; Open Hillside; Open Space, Parklands and Habitat; Urban Reserve; and the Open Hillside Golf Course Site Overlay. Other designations may not be applied to lands outside of the UGB. Title 18 (Local Planning) of the City's municipal code establishes procedures for modifications to the UGB, and significant modifications to the UGB should only occur as part of a comprehensive update of the General Plan.

Staff is not proposing any significant policy changes in relation to the South Coyote Valley Greenbelt as part of this 4-Year Review of the General Plan; however, staff does recommend applying the

Coyote Valley Agricultural Overlay as described above to support consistency between the County and City's land use regulations for agricultural areas to properties as described (see Attachment G):

- Properties with an Agriculture land use designation that are inside the City's jurisdictional boundary; and
- Properties that are outside of the City's jurisdictional boundary and are zoned *Exclusive Agriculture* under the County's Zoning Ordinance.

Summary of Staff Recommendations

North Coyote Valley

1. Reallocate all 35,000 jobs from North Coyote Valley, specifically reallocate 5,000 jobs to Alviso Master Plan Employment Lands Growth Area and 30,000 jobs to the Downtown Growth Area.
2. Amend the General Plan text to remove North Coyote Valley as an Employment Lands Growth Area from the General Plan.
3. Change the land use designations of properties in North Coyote that have been purchased by the City and POST/OSA for preservation from Industrial Park to Open Space, Parklands and Habitat.
4. Change the land use designations of remaining properties in North Coyote that have not already been developed for industrial uses from Industrial Park to Agriculture, except for the area occupied by the Gavilan College Coyote Valley Center (South Bay Regional Public Safety Training Consortium), which would be changed from Industrial Park to Public/Quasi-Public. These properties would also be rezoned as needed to align with the appropriate General Plan land use designations.
5. Explore a credits program in parallel with proposed land use designation changes to support further conservation actions in Coyote Valley and facilitate development in urbanized areas of San Jose.
6. Add an action item to the General Plan to move the Urban Service Area boundary north consistent with the proposed land use changes in North Coyote Valley. Properties proposed to retain an urban land use designation (i.e., Industrial Park and Public/Quasi-Public) should stay within the Urban Service Area.
7. Add an Action Item to the General Plan to consider creating an overlay that would restrict office buildings as an allowable use in certain Industrial Park and/or Combined Industrial Commercial designated areas, or redesignate some areas from IP and/or CIC to Light Industrial to preserve and support existing industrial businesses.
8. Add an Action Item to the General Plan to explore creating an industrial overlay allowing for new office construction only if the office building includes some manufacturing or logistics space.

Mid- and South Coyote Valley

9. Amend the General Plan to remove the Mid-Coyote Valley Urban Reserve designation and designate properties in Mid-Coyote Valley to either Agriculture, Private Recreation, Public/Quasi-Public, or Combined Industrial Commercial. Properties in Mid-Coyote Valley within the City’s jurisdictional boundary would also be rezoned as needed to align with the appropriate General Plan land use designations.
10. Create and apply a new Coyote Valley Agriculture Overlay that increases the minimum lot size from 20-acres to 40-acres on certain properties (see Attachment G) with an existing or proposed Agriculture land use designation that are:
 - a. Within North, Mid- and South Coyote Valley and are inside the City’s jurisdictional boundary; and
 - b. Within Mid- and South Coyote Valley that are outside of the City’s jurisdictional boundary and are zoned *Exclusive Agriculture* under the County’s Zoning Ordinance, which sets a minimum lot size of 40-acres (A-40ac);

Agenda Item 5 – Planned Growth Capacity Shifts

Staff will give a brief presentation on their recommendations for shifting planned residential and job capacities. Task Force members will be given an opportunity to discuss, provide input, and ask questions about the staff recommendations, while members of the community will be provided with an opportunity to address the Task Force. Task Force members will then vote on staff recommendations.

Planned Growth Capacity Shifts

The following residential capacity shifts were recommendations from previous Task Force meetings:

- Allocate 600 units to four neighborhood business districts (Willow Street, North 13th Street, Willow Glen, and Japantown (Taylor Street only);
- Allocate 1,000 units to the proposed Story Road Urban Village; and
- Allocate 700 units to the proposed Capitol Caltrain Station Area Urban Village.

Also, City Council directed staff in the approved General Plan Four-Year Review scope of work to “explore shifts in planned housing capacity to Downtown.”

In addition to the residential allocation described above, staff evaluated all growth areas to determine where more planned housing units would be necessary to meet the demands of future development. As shown in Table 1, approximately 15,000 units are proposed to be shifted from Urban Villages in Horizons 2 and 3. Based on capacity studies completed as part of the DSAP Amendment process, and proposed development as part of the Downtown West Mixed-Use Project, 12,619 planned residential units would be reallocated to Downtown. Additionally, 2,300 units would be shifted as part of the Task Force recommended allocations as listed above, and Little Portugal Urban Village would receive 100 units to support future residential growth.

Table 1. Proposed Planned Residential Capacity Shifts

Growth Areas	Housing Units Shifted	Housing Units Received
Horizon 2 Urban Villages	9,653	
Horizon 3 Urban Villages	5,336	
Downtown		12,619
Neighborhood Business Districts (Willow Street, North 13th Street, Willow Glen, and Japantown (Taylor Street only)		600
Little Portugal Urban Village		100
Proposed Story Road Urban Village		1,000
Proposed Capitol Caltrain Station Area Urban Village		700
Total	15,019	15,019

Along with residential shifts, staff analyzed all growth areas to determine where more planned jobs would be necessary to accommodate anticipated future development. Approximately 56,650 planned jobs are proposed to be shifted out of Employment Areas and Urban Villages in Horizons 2 and 3. Based on the policy recommendations for North Coyote Valley described above (Agenda Item 4) and the development capacity study completed as part of the DSAP Amendment process, Downtown and Alviso would receive an additional 47,150 and 5,000 jobs, respectively. South Bascom Avenue (North) and Stevens Creek Boulevard Urban Villages would be allocated 500 and 4,000 jobs, respectively, to accommodate pending entitlements and anticipated future commercial development.

Table 2. Proposed Planned Jobs Capacity Shifts

Growth Areas	Jobs Shifted	Jobs Received
Horizon 2 Urban Villages	4,200	
Horizon 3 Urban Villages	400	
North Coyote Valley	35,000	
Other Employment Areas	17,050	
Downtown		47,150
Alviso (Plant Lands)		5,000
S. Bascom Ave. (North) Urban Village		500
Stevens Creek Blvd. Urban Village		4,000
Total	56,650	56,650

Neighborhood Villages Residential Pool

As part of the capacity shift recommendations, staff recommends creating a pool with the residential units planned for former Horizon 3 Neighborhood Urban Villages. The proposed pool policy and these villages are identified in Attachment I. The pool would allow flexibility to allocate units for pending entitlements by removing the cumbersome process of reallocating planned residential capacity by Urban Village. Currently, the shifting or reallocation of residential units and jobs occurs during the General Plan Annual Review cycle or during the General Plan 4-Year Review. Staff anticipates that there could be procedural challenges to facilitating mixed-use projects, particularly affordable housing and Signature Projects in Neighborhood Villages because of the limited planned growth in some of the villages. However, the collective planned residential capacity in Neighborhood Villages is sufficient to accommodate future growth. Therefore, staff is recommending that proposed residential and mixed-use residential projects in former Horizon 3 Neighborhood Villages would pull from a planned residential pool across 20 villages. Planned residential capacity as detailed in Appendix 5 of the General Plan would be used for future planning purposes.

The recommended residential pool for Neighborhood Villages would provide a balanced approach to analyzing the effects of shifted residential growth in the General Plan while accommodating pending entitlements in the development process. Since the adoption of the Envision San José 2040 General Plan, approximately 130 units have been entitlement across the 20 Neighborhood Villages. Compared to developments in Downtown, Diridon, and Urban Villages in west San José (i.e., Santana Row/Valley Fair, West San Carlos, and Stevens Creek Boulevard), residential developments in Neighborhood Villages are typically minor in scale and density. The recommended shifts of planned residential units to Downtown and other growth areas would remove approximately 2,400 planned units from Neighborhood Villages. The pool of approximately 2,500 remaining units, therefore, would facilitate residential entitlements across the Neighborhood Villages by providing flexibility for housing to be built in any of the Neighborhood Villages, regardless of the balance of remaining capacity in a given village.

Approval of the residential pool for Neighborhood Villages would require a new policy in the General Plan and text changes to the Planned Job Capacity and Housing Growth Areas Table in Appendix 5 of the General Plan (see Attachment J). Staff will use the table to track entitlements in Neighborhood Villages and guide urban village plan preparation, but development would pull from the residential pool across the 22 Villages. Like all policy actions as part of the General Plan 4-Year Review, this recommendation would also need to be analyzed as part of the California Environmental Quality Act (CEQA) analysis before consideration by City Council.

Staff Recommendations

1. Amend Appendix 5 (Planned Job Capacity and Housing Growth Areas by Horizon table) of the General Plan to reallocate planned residential units and jobs as shown in Tables 1 and 2, and detailed in Attachment J.
2. Amend the General Plan to add a policy to allow planned residential units within Neighborhood Urban Villages to be captured in a pool and to be reflected in Appendix 5 – Planned Job Capacity and Housing Growth Areas by Horizon table.

Next Meeting

The next meeting is scheduled for November 19, 2020 at 6:00 p.m.

If you have any questions, please contact either myself or Kieulan Pham. I can be reached by phone at (408) 535-7896 or by email at: Jared.Hart@sanjoseca.gov. Kieulan can be reached by phone at (408) 535-3844 or by email at: Kieulan.Pham@sanjoseca.gov.

Jared Hart
Division Manager

Attachments:

- Attachment A: Coyote Valley Planning Areas Map
- Attachment B: Coyote Valley Policy Context and Land Acquisition Considerations City Council Memorandum dated January 17, 2019
- Attachment C: North Coyote Valley Preservation and Developable Lands Map
- Attachment D: Santa Clara Valley Agricultural Plan
- Attachment E: Coyote Valley Priority Conservation Areas Map
- Attachment F: Strategic Economics report titled *North Coyote Valley and the San Jose Economy*
- Attachment G: Coyote Valley – Existing and Proposed Land Use Designations and Proposed Coyote Valley Agriculture Overlay maps
- Attachment H: Proposed Coyote Valley Agriculture Overlay
- Attachment I: Proposed Neighborhood Urban Village Residential Policy
- Attachment J: Strikeout/underline Planned Job Capacity and Housing Growth Areas Table (Appendix 5 to the General Plan)